

Report No.

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: 5 November 2020

Decision Type: Non-Urgent Non-Executive Non-Key

Title: Teacher Pay Policy 2020/21 – Centrally Based Staff

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Chief Officer: Director of HR & Customer Services

Ward: N/A

1. Reason for report

- 1.1 From 1 September 2020 revised arrangements came into force in relation to Teachers' Pay and Conditions through the publication of the statutory 2020 School Teachers' Pay and Conditions Document.
- 1.2 This report sets out the main changes and proposes options for Members consideration.

2. RECOMMENDATIONS

- 2.1 That Members note and comment on the report and agree either option (C) or (D) in respect of Centrally Based Teaching staff;**
- 2.2 If 2.1 is agreed authorise officers to uplift the Pay Scales within the current Pay Policy accordingly and implement the new policy with effect from the 1st September 2020. There are no other required changes to the Policy this year.**

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Children and Young People Excellent Council
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Financial

1. Cost of proposal: £36k- £55k
 2. Ongoing costs: £36k to £55k
 3. Budget head/performance centre: Various
 4. Total current budget for this head: Various salary budgets
 5. Source of funding: DSG
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Staff

1. Number of staff (current and additional):

All Teachers and Heads of Service centrally employed in Education Services i.e.

- Specialist Support and Disability Services (The Phoenix Centre)
- Sensory Support Services
- Primary Pupil Support Advisory Team

As at 30 September 2020 this comprised 55 staff (42.66 FTE) employed on Teacher Terms and Conditions of employment.

2. If from existing staff resources, number of staff hours: N/A.
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Legal

1. Legal Requirement: Statutory Requirement Sections 122 and 127 Education Act 2002
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 The Education Act 2002 gives the Secretary of State power to prescribe pay and conditions and to issue guidance on pay and conditions matters, to which those concerned must have regard.
- 3.2 The statutory requirements for teachers' pay and conditions for maintained schools in England and Wales are set out in the School Teachers' Pay and Conditions Document, which is published annually, and schools and local authorities (LAs) must abide by these. LAs and governing bodies are also required to have regard to the statutory guidance issued in conjunction with the document, and in respect of guidance on procedural matters a court or tribunal may take any failure to do so into account in any proceedings.
- 3.3 In accordance with the requirements of the School Teachers' Pay and Conditions Document, the LA as the "relevant body" is required to have in place a pay policy setting out the arrangements for determining pay arrangements for all centrally based teaching staff.
- 3.4 Each year the School Teachers' Review Body (STRB) is provided with a remit from the Secretary of State to review Teachers' Pay. The remit focuses on specific areas as well as pay trends in general. The school teachers' review body consults with employers and teacher organisations and Unions and reports back to the Secretary of State its findings and recommendations. The Secretary of State then determines whether or not to accept the proposals put forward by the review body. A copy of the 30th Review Body full report can be found at the following link:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/902393/STRB_30th_report_July_2020.pdf

- 3.5 This year, the Review Body made the following recommendations which were accepted in full by the Secretary of State:

- **That the minimum of the MPR is increased by 5.5 per cent.**
- **That the maximum of the MPR and the minima and maxima of all other pay and allowance ranges for teachers and school leaders are uplifted by 2.75 per cent and that these uplifts apply to all four regional pay bands.**
- **That advisory pay points are reintroduced on the *MPR and UPR.**

*(*The full report provides recommendations on the levels of these pay points for 2020/21).*

- 3.6 Under the current pay system, it remains as in previous years for school leaders, governing bodies and Local Authorities to determine how to implement, in their individual schools, and Education Services the changes to the School Teachers' Pay and Conditions Document (STPCD) arising from the STRB recommendations.

A copy of the Executive Summary of the STRB can be found here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/902527/STRB_30th_Report_Executive_Summary.pdf

- 3.7 The DfE carried out extensive consultation with relevant parties and the School Teachers' Pay and Conditions Order came into force on the 14th October 2020, with implementation of the 2020 School Teachers Pay and Conditions Document backdated to the 1st September 2020.
- 3.8 The new pay and conditions document continues to provide flexibility for relevant bodies in relation to reward and performance of staff. Each School and LA is required to determine its own specific pay policy tailored to the needs of the individual school/service.
- 3.9 In reaching its recommendation the Review Body commented that the recommendations, if implemented, would represent a significant real-terms increase to all parts of the teacher pay framework, thereby boosting its competitiveness and benefiting all of the teaching profession.
- 3.10 It's key considerations in making this recommendation were:
- The overall target for postgraduate initial teacher training (ITT) was missed in the academic year 2019/20 for the eighth successive year, with 89 per cent of the target number of trainees recruited.
 - There have been significant problems with recruiting for certain secondary subjects over a number of years, and these have got worse.
 - Leaving rates continue to be particularly high for teachers in their first three years in the profession.
 - Leaving rates are higher for teachers who completed their newly qualified teacher (NQT) year in London than for the rest of England.
 - The numbers of teachers leaving the profession has risen in the age groups of 35 to 44 and 45 to 54.
- 3.11 While the deterioration in retention rates is most marked for teachers early in their career, the STRB is concerned that there are also indications of a growing challenge in retaining experienced classroom teachers and those in leadership roles. The STRB concluded that for the majority of teachers and school leaders, including those in London, there continues to be a significant gap between their earnings and the levels of pay in other comparable graduate professions.

3.12 Impact of COVID-19

The impact of COVID-19 on the graduate labour market may be expected to ease the pressures on teacher supply in the short term through improved recruitment and retention. But the demand for graduates and the wider labour market would be expected to recover fully in the medium term, at which time teacher supply problems are likely to re-emerge unless action is taken. There is an opportunity to secure a significant improvement in the competitiveness of the teacher pay framework over the next two to three years. By so doing, the teaching profession is better placed to attract high-quality graduates and retain good teachers both now and when the labour market recovers.

3.13 The LA currently employs Teaching Staff in the following service areas:

- Specialist Support and Disability Services (The Phoenix Centre)
- Sensory Support Services
- Primary Pupil Support Advisory Team

In total as at the 30 September 2020 this comprised 55 staff (42.66 FTE) on Teaching terms and conditions of employment.

3.14 There is existing provision for each Teacher's salary to be reviewed annually. In addition, the LA already has an appraisal policy in place agreed by Members in autumn 2012. New Teaching Standards were introduced in 2012 and from September 2014 pay progression for all Teaching staff became directly linked to performance.

3.15 In light of the recommendations of the review body the Council needs to review its pay policy and determine whether any changes are required.

3.16 CONSULTATION

DFE

3.17 The Secretary of State, accepted in full the STRB's recommendations he further stated:

"This teachers' pay award – the largest since 2005 – helps to recognise the extraordinary efforts of our teacher and leaders. It provides for a substantial above-inflation increase to the pay ranges for all teachers and leaders.

For example, for an experienced teacher at the top of the upper pay range this pay award could mean an increase of between £1,114 and £1,364, depending on location. Furthermore, this pay award is the continuation of several years of substantial pay awards - last year all pay ranges were uplifted by 2.75% and in 2018 uplifts to pay ranges averaged at 2.4%.

Furthermore, this Government made a commitment to increase starting salaries nationally for teachers to £30,000 by 2022/23. This pay award takes the first step to delivering this commitment, with a 5.5% increase to starting salaries worth between £1,341 and £1,677 depending on location. This will mean that starting salaries for new teachers will be between £25,714 and £32,157 depending on location in the 2020-21 academic year.

These substantial increases to teacher starting pay will help ensure teaching is rightly regarded as a well-rewarded and prestigious profession, enabling us to attract the most able graduates and career changers into teaching to support improved outcomes for pupils.

This pay award also takes a decisive step towards a pay structure which better supports teacher retention, with large increases to early career pay where we know retention is most challenging. Alongside other crucial reforms such as the Early Career Framework and new National Professional Qualifications, this pay award will help to ensure we are retaining great teachers through the crucial early career phase.

Finally, this pay award will be affordable, on average, nationally for schools thanks to this Government's three-year investment package announced at the 2019 Spending Round. We are increasing core schools funding by £2.6 billion this year, £4.8 billion in 2021-22 and £7.1 billion in

2022-23, compared to 2019-20. As previously set out, from 2021-22 the funding schools currently receive through the teachers' pay and pension grants will be part of schools' core funding allocations, as determined by the schools national funding formula, and there will be no increase to these grants in respect of this year's pay award."

TRADE UNIONS

3.18 Teacher Trade Unions nationally have been opposed to several elements of the significant pay changes that were introduced in 2013 and this continues to be their position. Their response to the STRB consultation is detailed below:

3.19 *"Our organisations, representing the majority of teachers and school leaders in England, jointly call on you to apply a significantly higher increase than recommended by the STRB with the same increase applied to all teacher and leadership pay points and allowances. We call on you to restore mandatory pay points with those points as a minimum entitlement for all teachers and school leaders based on our previous joint advice. We call on you to engage with us in urgent discussions on the full restoration of pay lost since 2010, the establishment of a fair national pay structure without PRP and the additional resources needed if we are to secure a teacher pay structure capable of appropriately valuing, retaining and attracting teachers. "*

3.20 STRB Feedback on Consultation Outcome

3.21 There was consensus among national consultees that reintroducing pay points on the MPR and UPR would have a positive impact on the teacher workforce by providing greater clarity about pay and career progression. Many argued that these pay points should be mandatory.

3.22 The STRB agreed that reintroducing pay points on the MPR and UPR will have benefits for teachers and school leaders. However, it believes the benefits can be achieved by making these advisory, thereby still providing school leaders governing bodies and Local Authorities with the flexibility to adopt different approaches to pay in their schools/services in response to local labour market conditions.

3.23 Higher pay for early career teachers should support teacher recruitment and reduce the very high leaving rates for those in their first few years in the profession.

3.24 Experienced teachers and school leaders should receive a significant real-terms pay uplift to avoid damage to morale and motivation, which would have possible consequences for teacher retention. In the longer term, it is important that the pay framework provides earnings for experienced teachers that are not out of step with the earnings of those with similar experience in other graduate professions.

3.25 Following publication of the Pay and Conditions Document the Council is required to formally consult with Trade Unions to seek their views on the pay policy. This year there are no changes to the policy with the exception of the percentage uplifts.

3.26 The Regional Teacher Trade Union representatives recognised by the Council have been contacted for any further views/comments and any responses received will be verbally reported at the meeting.

4. OPTIONS

- 4.1 Since 2012 the STP&CD has provided the flexibility for LA's to set their own pay scales for Teachers with mandatory % increases only at the minimum and maximum of scales and allowances. As well as the Main Pay Range there are separate ranges for Unqualified, Upper Pay Range and Leadership staff.
- 4.2 The use of mandatory pay points was removed in 2015 and the ability to set pay scales linked to local circumstances, need and affordability was provided.
- 4.3 At that time Bromley alongside many other LA's continued to set pay points with members of the Council determining the annual % increase for scales and Managers and Head Teachers determining any additional pay progression based on performance.
- 4.4 As a consequence of this flexibility some LA's including Bromley are in the position that applying the recommended increases may mean that the advisory scale points may not completely match those recommended by the Secretary of State, the STRB and the teacher unions in relation to the Main Pay Range. All other pay scales and allowances are receiving a statutory uplift of 2.75% to the top and bottom points and it is recommended that this increase is applied to the remaining points within those individual scales to ensure adequate differentials and to avoid disparity. This would also be consistent with previous years' pay awards made by this Committee.
- 4.5 The table below highlights the differences in relation to the **main scale only**.

	Recommended % increase (mandatory for minimum and maximum points of the scale)	Current Bromley Salary Scale	National Recommended Salary Scale for Outer London	Revised Bromley Salary Scale with recommended National % increases applied	Per Annum £ difference	No's of Staff Affected
M1	5.50%	£28,355	£29,915	£29,915	-	0
M2	4.95%	£29,522	£31,604	£30,984	£620	0
M3	4.40%	£31,348	£33,383	£32,728	£655	0
M4	3.85%	£33,289	£35,264	£34,571	£693	1
M5	3.30%	£36,113	£38,052	£37,304	£748	0
M6	2.75%	£38,865	£41,136	£39,934	£1,202	0
M6(B)*	2.75%	£40,035	-	£41,136	-	2

(*This is a historic transitional point which can now be absorbed back into M6)

- 4.6 The current policy provides flexibility for managers in determining arrangements for Teachers' Pay for all Teaching staff including those employed on the leadership range. This includes flexibility regarding starting salaries and progression and is broadly consistent with the current principles applied to those staff employed by the Council on Localised Pay terms and conditions. The policy itself currently already uses a range of reference points for salary purposes.
- 4.7 The Council's centrally based Teaching staff are specialised staff working with highly vulnerable pupils with special and complex needs. Recruitment and retention of staff to these posts remains essential and it is vital that salary packages are competitive in the wider Teacher recruitment labour market.

4.7 The Council has to implement the changes required by the SCTP&CD 2020 as this is a statutory requirement however it has discretion regarding those elements which are non-statutory. The following options are detailed for Members consideration.

4.8 Option (A)

Apply the Statutory uplift to the minimum and maximum of scales and allowances only and allow Managers to determine any pay and progression increase between these amounts based on performance; this would assist with recruitment and retention at both the top and bottom of the scales however the disadvantage would be that some staff in between these points may not receive any increase at all (although this would not be recommended) and over time this would create significant disproportionate salary differentials and could greatly impact on morale.

4.9 This would also be in direct conflict with statutory guidance and as such would impact on recruitment and retention of Teachers as Local Academies and other Local Authorities tend to apply the recommended statutory uplift across the whole of the pay ranges and allowances creating a more attractive salary package. **For these reasons this option is not recommended.**

4.10 Option (B)

Apply the Statutory uplifts to the minimum and maximum of scales and allowances and determine a flat rate percentage increase for all points in between and allow Managers to determine any further pay and progression increase based on performance;

4.11 This approach would be broadly consistent with Localised Pay and Conditions of service however it should be noted that the pay award applied to all Council staff earlier in the year provided for a flat rate % increase for the majority of staff together with the deletion of Scales BR1 & BR2 with corresponding assimilation arrangements for those staff on lower graded salaries.

This approach would also again be contrary to Statutory Guidance and would not have the intended outcome of significantly raising Teacher starter salaries not just at the point of entry but in the first few years of their career to ensure that Teaching as a profession remains competitive in terms of graduate recruitment.

For these reasons this option is not recommended.

4.12 Option (C)

4.13 **Apply the Statutory uplifts to the minimum and maximum of all scales and allowances and apply the recommended National % increases to the current pay scale points;** If the Council applies the recommended % increases to the current pay scales, then there will be a monetary inconsistency with national pay scales. In this scenario however the Council would be following the STRB's and Secretary of State's recommendations in the main in terms of providing advisory pay points and recommended % increases in salaries but Teaching staff may view the impact of the pay points being lower in monetary value than nationally recommended scales as detrimental and this could potentially lead to recruitment and retention difficulties.

- 4.14 Whilst it is acknowledged generally in the sector that there will be some transition required as those employers with differing pay scales seek to apply the % increases, it could also lead to further disparity and disproportionate differentials in the future.
- 4.15 If applying this option to current staffing 1 Teacher would be affected. Whilst they would receive the recommended 3.85% increase their salary value in monetary terms would be £693 less than that nationally recommended.

4.16 Option (D)

Adopt the recommended National Pay Advisory points for the Main Pay Range and apply the Statutory uplifts to all other scales and allowances;

- 4.17 Whilst already having scale pay points in place if the Council determines to adopt the Nationally recommended advisory scale points this will bring the Council's Teaching Pay Scales fully in line with the STRB and Secretary of State's recommendations and will likely prove more attractive to new recruits and existing teachers alike.

The Table below details the current salary scale position of staff:

Scale	No. in Post
Unqualified	3
Main Scale	3
Upper	42
Leadership	7
Total	55

- 4.18 For the majority of staff applying the nationally % recommended increase to their current scale point will mean that the scale point values nationally and locally are consistent with each other. There is however 1 individual currently on the main scale who would have to receive a slightly higher % rate increase than recommended to transition them onto the relevant advisory pay point. (See paragraph 4.15 above).
- 4.19 Creating a teacher pay structure that aligns with teacher career stages will require careful consideration and the transition to such a structure is likely to require a planned process over a number of years. It is however clear that advisory pay points are recommended and as the review body looks ahead these appear to be a feature in future pay scale discussions. If therefore, the Council implement the National Pay Scale fully now this is an opportunity to contribute to a more consistent approach across the Education system as a whole as Advisory Pay points would have the same status for LA maintained Schools and Academies in relation to the wider Teaching Labour force market.
- 4.21 The financial implications of each of the options are detailed below in the Financial Implications Section.

5. POLICY IMPLICATIONS

- 5.1 The model policy is consistent with BBB priorities to provide strategic leadership and support to schools in the Borough to assist and underpin the Government's Education Reform Programme and ensuring the organisation has a workforce of appropriate skills and experience to meet future challenges in delivering local priorities. Various elements of the model policy for teachers are similar or consistent with the key elements of the Council's local terms and conditions of service for all non-teaching staff employed by the authority.

6. FINANCIAL IMPLICATIONS

- 6.1 There are 55 relevant posts (equivalent to 42.66 fte's)

The proposals for the pay policy are as follows:-

Option A - Uplift the minimum scale point of the main pay range by 5.5%. All other minimum and maximum scales of other pay ranges increasing by 2.75%. No other pay increases in remaining scales.

Option B - Increases as above in Option A but apply the increases to all other scales in the ranges by 2%.

Option C - As per Option A but increase main pay range by the national % increases (see para 4.5 for reference). Other increases for the remaining scales points by 2.75%

Option D - As per Option A but increase main pay ranges to the national recommended National Pay Advisory points (see para 4.5 for reference). Other increases for the remaining scale points by 2.75%

There is little difference in costs between option C and D as there are only 3 members of staff on the main scales.

- 6.2 The costs would be as follows:

Costs

<u>Option</u>	<u>£'000</u>
Option A	36
Option B	49
Option C	54
Option D	55

- 6.3 The maximum cost would be £55k. These employees are funded from the Dedicated Schools Grant (DSG), a ringfenced grant used for Education purposes. The expectation would be that the increase in costs would be met from this grant in the first instance.
- 6.4 It should also be noted that if Option A is applied there is a possibility in some instances that the spinal points will begin to overlap.

7. LEGAL IMPLICATIONS

- 7.1 Part 8 of The Education Act 2002 deals with the legal status of teachers pay and conditions. Section 122 gives the Secretary of State a power to prescribe pay and conditions for teachers

and Section 127 recites that the Secretary of State after due consultation may issue guidance which a local authority and a school governing body shall have regard to in respect of teachers pay.

8. PERSONNEL IMPLICATIONS

8.1 As set out in this report.

Non-Applicable Sections:	N/A
Background Documents: (Access via Contact Officer)	